H. J. Heinz Company Annual Report for Year Ended April 29, 1964

THE FLAVOR DIFFERENCE

The cover of this year's Annual Report features the world's most popular condiment—Heinz Tomato Ketchup. This famous bottle is recognized in homes and stores from Sioux City to Singapore, from Los Angeles to Lima and London to Leopoldville. It is set out proudly on the tables of fine restaurants in five continents.

There are more than 450 competing brands of tomato ketchup on the market. Most are sold at prices considerably below ours. Yet, Heinz Tomato Ketchup continues to outsell all others year after year.

Why? The answer is simple; it can be summed up in one word—"flavor"—the result of the careful blending of choice ingredients and fine spices.

Heinz Tomato Ketchup is made from vine-ripened Heinz "Aristocrat" tomatoes grown from our own seed and processed immediately after harvesting. No artificial preservatives, or color, or chemical additives are ever used. What's more, meticulous care in processing assures uniform quality in all parts of the world.

Small wonder Heinz Tomato Ketchup is the world's favorite.

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ANNUAL REPORT OF

H. J. HEINZ COMPANY

FOR THE YEAR ENDED APRIL 29, 1964

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ANNUAL MEETING

The annual meeting of the shareholders of the Company will be held at 2 p.m. on Friday, September 11, 1964, at the Executive Offices of the Company in Pittsburgh. A formal notice of the meeting, together with a proxy statement and form of proxy, will be sent to each shareholder about August 7.

H. J. HEINZ COMPANY • P. O. BOX 57 • PITTSBURGH, PENNSYLVANIA 15230

FINANCIAL HIGHLIGHTS

	Fiscal Year Ended April 29, 1964 52 weeks	Fiscal Year Ended May 1, 1963 52 weeks
Net sales	**$488,211,364**	$464,215,226
Net income for the year	**14,548,838**	12,364,429
As a percentage of net sales	**3.0%**	2.7%
Per share of Common Stock	**2.53**	2.31
Dividends paid on Preferred Stock	**1,157,480**	237,491
Dividends paid on Common Stock	**5,276,176**	5,255,880
Per share of Common Stock	**1.00**	1.00
Net income retained in business	**8,115,182**	6,871,058
Per share of Common Stock	**1.53**	1.31
Total taxes charged to income	**19,811,855**	18,467,822
Per share of Common Stock	**3.75**	3.51
Shareholders' equity	**193,687,215**	184,875,803
Per share of Common Stock	**34.44**	32.92
Capital expenditures	**20,508,617**	16,134,932
Per share of Common Stock	**3.88**	3.07
Depreciation	**9,179,043**	7,924,808
Per share of Common Stock	**1.74**	1.51

TO OUR SHAREHOLDERS:

It is gratifying to call your attention to the opposite page, where consolidated financial results show that fiscal 1964 was a year of Company-wide achievement.

Sales of the Company's products established a new record high. At the same time, consolidated earnings improved materially over those of the previous fiscal year.

The world-wide Company acted decisively during the year to meet problems created by changing market conditions. There was a quickening in the global trend to packaged convenience foods manufactured in large volume for mass distribution through fewer retail outlets. A rising standard of living at home and in many of our major overseas markets has stimulated increased sales. But it has also brought us higher manufacturing and marketing costs and intensified competition for consumer patronage.

Details of how this challenge is being met by our major operating units are contained in the report that follows. Here are a few highlights:

In the United States sweeping action was taken in the Marketing and Sales Divisions during the year. A series of executive appointments and revisions of organization structure were made. Three new advertising agency assignments were announced for the Company's product lines. Our sales organization was tailored to function more efficiently and economically in today's market. The over-all reorganization calls for closer co-ordination of the Company's sales and marketing functions, particularly in the areas of sales and market research, product and package development, and distribution.

Our foreign affiliates enjoyed another growth year. Sales increased 15 per cent and earnings increased 17 per cent. Capital improvements programs reached or neared completion in Canada, Australia and the United Kingdom. Expansion and modernization of plant and equipment in these locations enhanced the competitive posture of each affiliate. Increased sales and marketing expenditures permitted each to withstand accelerated competition during the year.

Our Venezuelan Company started "from scratch" three years ago. During the past year, the introduction of new products, along with expanded distribution and intensified promotion, led to marked improvement in operating results.

During its first year of operation as a Heinz affiliate, Societa del Plasmon, S.p.A., Milan, Italy, had the largest sales and earnings in its 60-year history.

Hachmeister, located in McKees Rocks, Pa., completed installation of a high-vacuum distillate plant for manufacture of monoglycerides —an exciting new area of company operations. Higher profits were earned on a slightly reduced sales volume.

Star-Kist Foods, Inc., along with its competi-

President Frank Armour, Jr., left, and Chairman Henry J. Heinz II at Pittsburgh international headquarters

tors, was faced with a depressed market for canned tuna, following unfavorable national publicity of a botulism incident in which Star-Kist was not involved. Prompt sales and marketing activity by Star-Kist and the industry counteracted the effect of this unique occurrence, but not before sales and earnings early in the year had been reduced. Currently, Star-Kist sales and earnings have substantially regained their normal pattern.

Fiscal 1964 saw formation of a new Heinz affiliate—Heinz Alimentos, S.A. de C.V. Official certification by the Republic of Mexico was quickly followed by acquisition of La Cumbre, S.A., a well-known Mexican food processing company. Later in the fiscal year, Heinz Alimentos took over the operation of several additional companies. Work is progressing toward amalgamation of these companies into one national manufacturing and marketing unit. Mechanization of Mexican operations will require substantial capital outlays. Market research indicates that there is a vast potential for both acquired and Heinz-labeled products in this new market.

We are pleased to report that joint labor-management co-operation at the Pittsburgh factory has all but eliminated labor grievances and has opened up new channels of communications between Heinz employees and management. This is a welcome sequel to the long and costly strike that interrupted our product flow two years ago. The closer working relationship between management and labor was formally recognized at a recent meeting, which was attended by international and local officers of the union and by Company officials.

The overproduction of tomato products in the United States during 1962 and 1963 led to low-priced competitive products flooding the market place and reducing industry profits. During this period, Heinz production and inventories were maintained at customary levels, but competitive activity prevented us from realizing our usual profit. Market conditions are now more normal, and we expect to have the largest pack of tomato products in our history during 1964.

The Company continues to investigate possible acquisition of companies and products to further expand and diversify its operations both at home and abroad.

Summing up, H. J. Heinz Company has geared its operations to compete for an ever-larger share of the international food "dollar." New executive leadership, new machines, new products, new farming methods, new distribution techniques, and a new marketing aggressiveness —all of these combine to encourage optimism for the future growth of our Company. The skill and dedication of Heinz people everywhere add luster to this expectation.

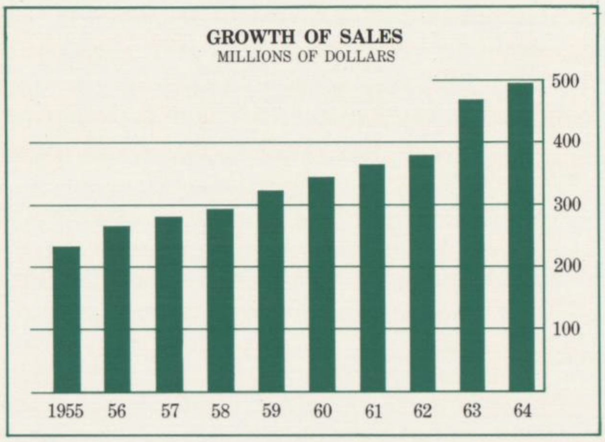
Henry J. Heinz II
Chairman

Frank Armour Jr.
President

FINANCIAL

SALES RECORD

In its 95th year of operations, H. J. Heinz Company established a new consolidated sales record. Sales of $488,211,364 represented an increase of five per cent over sales of $464,215,226 during fiscal 1963.



EARNINGS

Consolidated after-tax earnings for the fiscal year amounted to $14,548,838, an increase of approximately 18 per cent over fiscal 1963 earnings of $12,364,429. Measured in terms of common shares outstanding, fiscal 1964 earnings equaled $2.53 per share. Fiscal 1963 per share earnings were $2.31. It should be kept in mind, however, that fiscal 1963 earnings included those of Star-Kist Foods, Inc. for 11 months of that company's operations. Star-Kist was acquired by Heinz in April, 1963 in exchange for 286,281 Heinz second cumulative preferred shares. Since these preferred shares had not been outstanding during the fiscal year, no dividends were paid on them, and thus they were not included in computing common share earnings. Had this been done, fiscal 1963 net income per share would have been $2.12 instead of the $2.31 reported.

Of the consolidated net income of $14,548,838, our foreign business accounted for $12,338,022 or 85 per cent. The remainder of $2,210,816 was earned in the United States and its possessions.

Our business in the United States did not recover from the unsatisfactory level of the previous year. Changes made in marketing emphasis and executive leadership in an effort to better the earnings trend did not have sufficient time to prove their effectiveness.

Sales of some of the less profitable product lines were deliberately curtailed, and lower sales were realized for some of our major product categories. In addition, our normal rate of profit on the sale of tomato products was not achieved, because of the depressing effect of industry overproduction on market prices. Subnormal market conditions prevailed in the tuna industry during the early part of the year. We believe that the corrective measures that have been taken will be effective in strengthening earnings in the United States.

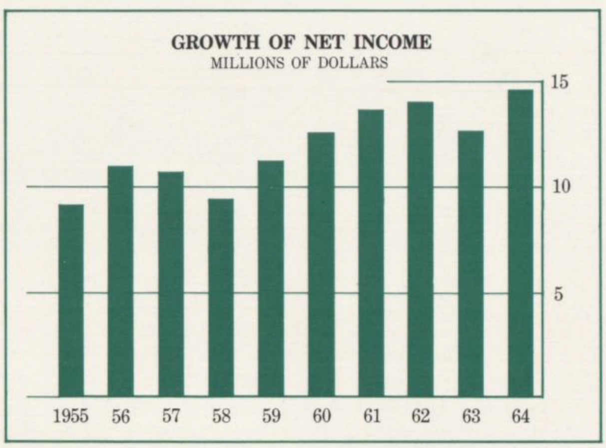
WORKING CAPITAL

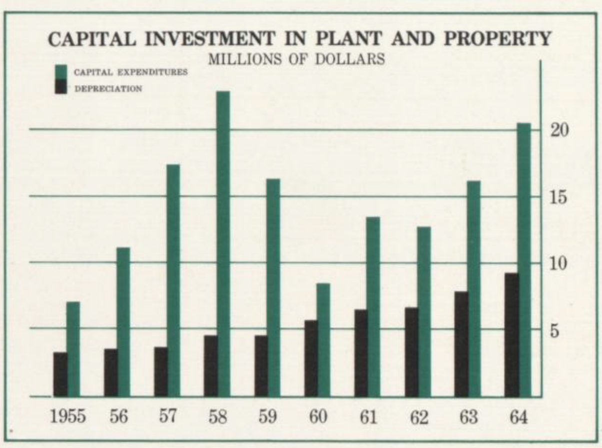
Working capital at April 29, 1964 amounted to $137,563,708, as compared with $130,590,337 at fiscal year-end 1963.

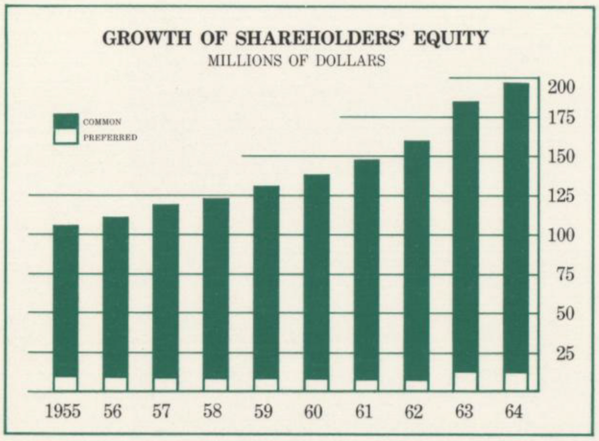
CAPITAL EXPENDITURES

Funds spent for plant and equipment improvements and additions amounted to $20,508,617 during fiscal 1964. This compares with $16,134,932 spent during fiscal 1963.

Fiscal 1964 expenditures bring to approximately $147 million the amount spent during the







past decade for plant improvements and enlargements.

The objective of the Company's long-range capital improvements program is to provide the most efficient and economical facilities possible. The tightening of competitive activity throughout the world makes this action mandatory.

SHAREHOLDERS' EQUITY

Shareholders' equity increased to $193,687,215 from $184,875,803 a year ago. Book value of each share of common stock increased to $34.44 from the fiscal 1963 year-end figure of $32.92, based on 5,286,296 common shares outstanding at April 29, 1964.

DIVIDENDS

For the fifty-third consecutive year, Heinz paid dividends on its common stock, maintaining the annual rate of $1.00 a share that has been in effect since the spring of 1961. Cash dividends declared during the fiscal year totaled $6,433,656, including a total of $5,276,176 on common shares outstanding, and $1,157,480 on two classes of preferred stock outstanding.

Earnings retained in the business during the year amounted to $8,115,182, equal to $1.53 per share of common stock outstanding.

OPERATIONS

THE COMPANY BUILDS

Fiscal 1964 was a year of accelerated plant expansion and modernization. Expenditures for capital improvements and additions excluding acquisitions totaled more than $20 million. Most of this money went into expansion, improved production equipment and techniques, and more efficient distribution and warehousing facilities.

Perhaps the most exciting single project currently in progress is the construction of the 125,000-sq. ft. Hayes Park Administration and Research Center in suburban London. Located

Hayes Park construction site is visited by British Company officials, left to right, Deputy Managing Director Beresford, Managing Director Hutchinson and Vice Chairman Crabb

in a 65-acre wooded area, approximately 10 miles from the giant Harlesden factory, the Hayes Park facility will be occupied this fall. It will serve as the head office and research headquarters for United Kingdom operations.

The recently completed warehouse expansion at the Harlesden factory in northwest London makes it one of the largest in the United Kingdom. The most modern materials handling equipment is used in the more than seven and one-half acres of floor space—equivalent to about nine football fields. Even this is proving inadequate. The British Company has been fortunate in being able to acquire a nine-acre site at Harlesden for additional expansion. Approximately half of the 8,000 Heinz employees in England work at Harlesden.

The British Company has also approved plans for additional can-making and engineering maintenance buildings at Harlesden. These new structures, along with others, will be served by a new oil-fired boiler plant now nearing completion. An ultimate capacity of four boilers providing 240,000 pounds of steam per hour is anticipated for this facility.

Two major warehouse expansions took place during the year at the British Company's high-speed, automated Kitt Green factory. This construction added a total of almost 280,000 square feet of storage space.

The Australian Company completed its new Administration Building and 64,000 square feet of additional warehousing facilities. Heinz operations in Australia are centered at Dandenong, Victoria, near the city of Melbourne.

Also completed earlier this year was another phase of the major expansion program of the Canadian Company at its headquarters in Leamington, Ontario. The addition of a new production facility with 225,000 square feet brought the area devoted to manufacturing to a total of approximately 1,225,000 square feet. Installation of new processing equipment and other specialized machinery in the new structure will be completed early this fall.

Societa del Plasmon, S.p.A., the Italian Company acquired early in fiscal year 1964, launched an important plant expansion program during the year to meet the rapidly growing demand for its products. Under construction are several buildings at its factory site in Milan. These will be completed by January, 1965, and will be devoted to manufacture of baby food, a new warehouse, experimental kitchens and power generation. In addition, three floors of an office building in downtown Milan have been leased for the administrative offices.

HEINZ ALIMENTOS, S.A. de C.V.

The 57 VARIETIES moved into Mexico for the first time in July, 1963, when Heinz Alimentos, S.A. de C.V. was organized to operate a food business in that country.

Australian Company Chairman Ross is shown leaving new Administration Building at Dandenong, Victoria

British Company's Harlesden factory warehouse provides seven and one-half acres of storage space

During the year, Heinz Alimentos purchased La Cumbre, S.A., a well-known packer of chili peppers, fruits, vegetables, jams, fish and tomato products. (Freely translated, "La Cumbre" means "the top"; this trademark is, indeed, among the leading food names in Mexico.) La Cumbre processing operations are located at San Marcos, approximately 130 miles southeast of Mexico City.

Shortly after the La Cumbre acquisition, under interim arrangements, Heinz Alimentos received operative control of a food business consisting of six additional factories and a sales organization. With this operation came four respected brand names—"Del Fuerte," "La Fortaleza," "Etiqueta Negra," and "Sweet Treat."

With the new food business also came an interesting mix of products, including some entirely new to Heinz world-wide operations. Two of the factories are scheduled to process 40,000 tons of pineapple from fields totaling 4,600 acres. Another factory has capacity for dehydrating 30,000 pounds of garlic and onions daily during the season, while still another produces tomato products, canned peas and canned green beans. A crop of six million pounds of strawberries has just been frozen for export to the United States and Canada.

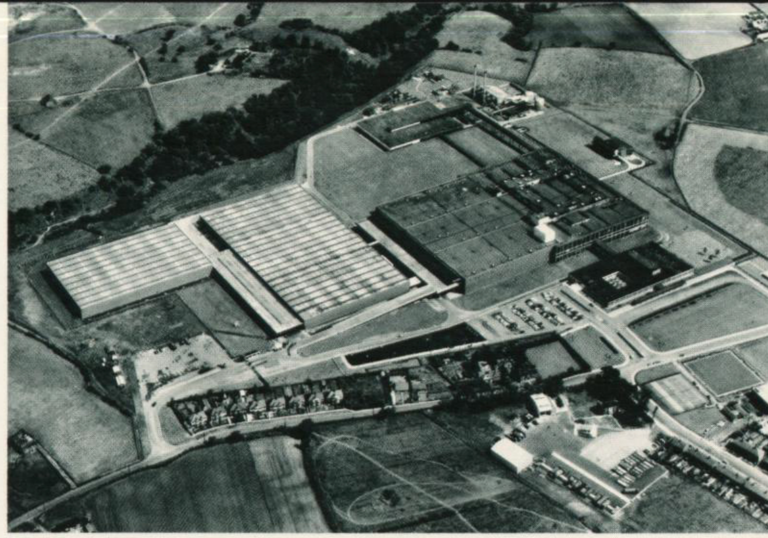
Heinz Alimentos of Mexico has begun a modernization program to improve operating efficiency. It is anticipated that the first Heinz-labeled goods will be produced in early fall.

Our entry into Mexico puts us in a position to profit from the steadily growing market for packaged goods made possible by rising standards of living among Mexico's 39 million people. Here, as in other Heinz locations, nationals will have operating responsibility.

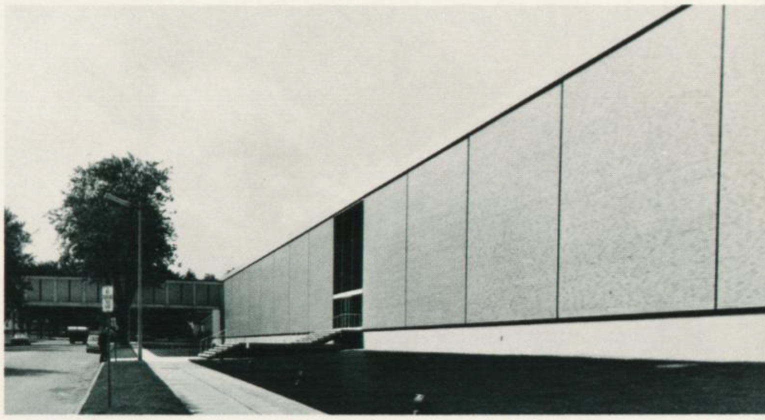
MANUFACTURING IMPROVEMENTS

The first phase of a modernization program at the Fremont, Ohio factory is being rushed to completion by Company engineers. Kitchen areas are being remodeled and re-equipped in time for the 1964 tomato packing season. More efficient automated rotary coil cooking machinery will replace kettle-making facilities for the processing of tomatoes.

Another engineering team is on field location at Bowling Green, Ohio, where a factory building is being equipped for the manufacture of "9-Lives" pet foods. Facilities for making pet food containers are being readied at Pittsburgh.



Aerial view of British Company's Kitt Green factory, where 280,000 square feet of warehouse space were recently added



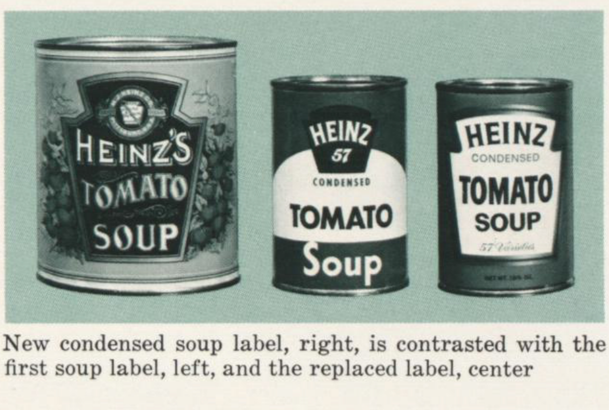
New Canadian Company manufacturing building at Leamington, Ontario brings total production area to 1,225,000 square feet

Junius F. Allen, Executive Vice President-International, greets overseas visitors at Pittsburgh headquarters

Mexican Company President Rumberger, left, shows Chairman Heinz, second from right, a pineapple slip while Manager Gil, second from left, and General Manager Wallace, right, look on

Tomatoes are flumed from Muscatine receiving yard (above) to final preparation area (below)

Accelerated marketing program is headed by Louis A. Collier, right, Senior Vice President-Marketing and Sales, and Paul D. Townsend, Vice President-Marketing



New condensed soup label, right, is contrasted with the first soup label, left, and the replaced label, center

The Company expects substantial savings from this integration of Star-Kist manufacturing into Heinz facilities.

The Bowling Green factory will resume processing tomatoes during the 1964 packing season.

The Company completed a major rebuilding program at the Muscatine, Iowa factory during the year. The final phase provided a new system of handling tomatoes that are delivered to the factory for processing. Under the old system, baskets of tomatoes were unloaded from growers' trucks and passed into the washing area on hooked conveyor belts. Now a water flume system receives tomatoes dumped directly from the trucks. The tomatoes thus receive an initial washing and inspection prior to delivery to the preparation room, where they receive final washing and inspection before arriving at the factory kitchens.

SELLING OUR PRODUCTS

Intensive competition in the market places of the world has served to accentuate the importance of the marketing function. The sheer size of the national and international markets, and the ever-changing character of consumer tastes and preferences, make co-ordination of sales, marketing and advertising a top-priority concern for all major food products manufacturers. Where we used to speak of millions of potential consumers, we now speak of hundreds of millions. In this country, particularly, the recent population boom has swelled the numbers of young buyers, all of whom must be sold. The continuing challenge is to reach the ultimate consumer; the continuing question is: "How can we get the consumer to try this product, to ask for it in the stores?"

The Company took decisive steps during the past fiscal year to reorganize and strengthen the domestic Marketing Division. Primary emphasis was given to rebuilding and streamlining the organization. Key executives were selected from both internal and external sources. Concurrently, this skilled new team fashioned a new sales-marketing-advertising concept.

To improve shelf image, the Company redesigned the labels for its line of 24 condensed soups. The new labels use the 57 VARIETIES legend inside the traditional keystone, which is outlined in green and gold, thus creating a smart, new appearance without sacrificing the long-accepted marks of identification.

During the year, three new advertising agencies were appointed in the United States for major product lines. In June, 1963, Doyle Dane Bernbach, New York, was selected to handle national advertising of the Company's line of condensed soups. Heinz advertising took on a "new look" with the now famous "skinny chicken" full-page, full-color insertions that ran in daily newspapers in major markets last fall.

Shortly before the end of fiscal 1964, the announcement was made that two additional agencies had been hired. Grey Advertising, Inc., New York, was given the assignment for baby food, pickle and relish advertising. Ketchum, MacLeod & Grove, Inc., Pittsburgh, will advertise vinegars, sauces, beans, apple sauce, mustards, minute meals, BLENND non-carbonated fruit drinks, and all products marketed by the Company's Institutional Food Service Division. In addition, the Company awarded its ketchup products advertising to Doyle Dane Bernbach, which retained its condensed soup assignment. All these agencies are adding finishing touches to 1964-65 schedules, which will make heavy use of major communications media.

The importance of marketing and the efficiency of advertising in pre-selling the consumer are not restricted to the United States. Modern merchandising techniques, including the development of large supermarkets, are now common in many of our principal international markets. For instance, English retail outlets are now giving trading stamps to their customers. Reports from affiliated companies make note of increased marketing-advertising activity. Here are some examples:

Plump Rhode Island Reds — a "new look" for Heinz


Italian Company Managing Director Oscar A. Pio


Company Master Chef Paul Laesecke, second from right, confers with Australian Company chefs on recipe development at Dandenong headquarters

British Company advertising—six national awards

Biscuits for the bambino . . . Italian Company outdoor advertisement

- The Australian Company increased expenditures to counter strong advertising and marketing programs of competitors. The company led the industry in sales promotion and held its position as a dominant Australian brand.
- In Italy, Plasmon continued its aggressive baby food products sales promotion to the medical profession and consumers. The company's regular advertising schedule in magazines and on television has been assigned to a new advertising agency, Young & Rubicam Itamco.
- The well-rounded media advertising program of H. J. Heinz Company of Canada, Ltd., supported by planned store promotion and a strong sales effort, helped the company to withstand competitive pressures and to maintain its dominant market shares of important variety groups.
- With the rapid growth of supermarkets in Venezuela, two major nationwide store promotions—called "Tomato Festivals"—were staged during the year to establish Alimentos Heinz C.A. as a leader in supermarket promotions. In so doing Heinz underscored the sweep of American-originated mass merchandising and mass-distribution techniques to all parts of the world. The Venezuelan Company received an award for its "Bingo" fruit juice lithographed can from the National Association of Advertisers, who called it "the outstanding new package in the Venezuelan market during the past year."
- British Company advertising, handled by Young & Rubicam, won six national awards during the year—the highest number any advertiser has ever carried off during a twelve-month period.

Store promotion advertising is approved by Canadian Company President Anderson, right


Mechanical tomato harvester in action

Venezuela Company President Warner talks with customer in Caracas supermarket


Crop researcher plants Heinz No. 1350 tomato seedlings at Bowling Green (Ohio) experimental station

BETTER TOMATOES AND PICKLES

Reliable estimates indicate that if our present standard of living is to be maintained, U.S. growers must produce 60 per cent more fruits and vegetables by 1975. One answer to this challenge lies in mechanical harvesting, an area that has long occupied the attention of Company agriculturists and crop research scientists. Company personnel have worked closely with state universities, equipment manufacturers, seed companies and the U.S. Department of Agriculture on development of new fruit and vegetable strains, mechanical harvesting equipment and bulk handling procedures.

Progress has been significant. Mechanical harvesting of tomatoes first received attention in 1955. The first operational mechanical harvester came in 1960. By the following year, about 30 machines were used commercially—with varying degrees of success. By 1963, roughly 12 per cent of the tomato tonnage received at our Tracy, California factory was harvested by nine machines and delivered to receiving stations in bulk bins. It is estimated that 45 per cent of this year's tomato crop at Tracy will be harvested by machines and delivered in bulk bins. Both the grower and Heinz will share in direct savings realized through mechanical harvesting.

Development of a workable mechanical cucumber harvester has been slower. Company experimentation on this project began in 1948 and has continued ever since. It has been only in the past few years, however, that crop research scientists and plant breeders have succeeded in changing the growth characteristics of the vine and the set of the fruit sufficiently to accommodate mechanical harvesting. Experimentation with new equipment in commercial fields has been programmed extensively for the current growing season.

Such harvesting of tomatoes has been possible because of the development of special strains of tomatoes that ripen evenly and are adaptable to mechanical picking.

Heinz No. 1350 tomato strain, developed at our Bowling Green, Ohio experimental station, is on its way to becoming the most widely grown strain in the food industry, outside of California. This strain produces a large yield of high quality fruit that meets our high processing standards. Maturing early on relatively small, open-type plants, Heinz No. 1350 tomatoes combine good size and color with firmness and crack resistance. They are fully resistant to two principal tomato wilts, fusarium and verticillium. Company crop researchers have also developed tomato varieties No. 1608 and No. 1545, both of which have firm-fruited characteristics. These new varieties will extend the growing season by approximately 10 days.

Crop research scientists are devoting close attention and continued experimentation to hybrid cucumbers. Approximately 300 acres in the State of Michigan will be planted with hybrid seed during the current growing season. The Heinz No. 2395 is a high-yielding hybrid cucumber strain whose fruit has excellent color, shape and adaptability to the pickling process.

Agricultural research and crop improvement similar to this are being conducted in Canada, Portugal, Spain, Italy, Australia, Japan and Venezuela.

RESEARCH AND QUALITY CONTROL

At home and abroad, Heinz research management continued its study of the effects of modern sprays and insecticides on agricultural produce. In the Heinz Research Center at Pittsburgh international headquarters, further significant refinements were made in earlier methods of screening product ingredients for spray and insecticide residues. U.S. research scientists based their inquiry on the comparatively new gas and paper chromatographic analysis method. The Canadian Company recently installed a new bioassay laboratory and gas chromatographic analyzer to detect and measure pesticide residues. One of few such installations in the Canadian food industry, this versatile facility will also permit new techniques for flavor and nutritional analysis. U.S. and Canadian findings on the subject have been correlated for transmittal to Heinz research and quality control personnel in all parts of the world.

U.S. research scientists also completed the adaptation of the new patented steam-injection cooking process to the Company's line of five pre-cooked baby cereals. This development, which involved changes in both formulation and manufacturing techniques, is a major contribution to the quality of this product line.

A new experimental kitchen, research and quality control laboratory will be completed during fiscal 1965 at the Italian Company factory in Milan.

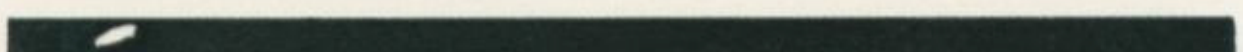
Nichiro-Heinz in Japan has completed its research and quality control procedures and facilities program, bringing that company into a

Senior Vice President-Operations P. K. Shoemaker addresses quality control conference

Quality control scientist operates Canadian Company's new gas chromatographic analyzer

Japanese Company scientist works in new research and quality control lab

Heinz pickle pin: 3,000,000 will be distributed at New York World's Fair



Cooking wizardry in the Heinz Magic of Food Theatre

uniform position with Heinz operations everywhere.

NEW YORK WORLD'S FAIR

In 1893, at the Columbian Exposition in Chicago, H. J. Heinz, founder of our Company, rescued the entire food section from obscurity by an ingenious promotion involving the placement of "lost" baggage checks around the fair grounds, redeemable for pickle pin souvenirs at the Heinz exhibit. Ever since that time, Heinz has participated in world's fairs.

The 1964-65 New York World's Fair is no exception. Our "Heinz Magic of Food Show" is playing to packed houses in the beautiful Festival of Gas Pavilion. Each day, from morning until closing time, visitors watch a professional magician work his mystical powers at the kitchen range. They see a film on highlights of Heinz operations in all parts of the globe. When they leave, visitors' dresses, suit lapels and beanie caps are pinned with the most famous of all souvenirs—the Heinz pickle pin.

None of the many distractions at Flushing has done anything to diminish the popularity of the pickle pin as a walking advertisement for Heinz. At the present rate of distribution, an estimated 3 million pickle pins will be handed out during the two years of the Fair, bringing to approximately 80 million the number that have been distributed since their introduction in 1893. Heinz Theatre guests also take away attractive and helpful recipe folders.

A special feature of the Heinz exhibit is the appearance of guest home economists, representing the nation's gas companies, who participate in food demonstrations. Before the Fair closes, Heinz will have had the opportunity to work with home economists from all sections of the country, representing a most important force in influencing the shopping habits of consumers.

We extend to our shareholders a special invitation to visit the Heinz Magic of Food Show. We think you will enjoy yourselves.

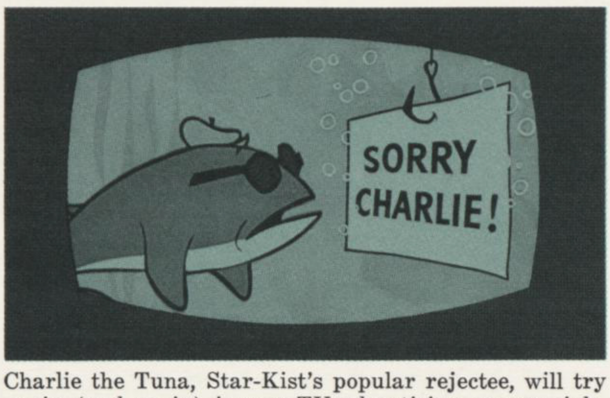
STAR-KIST FOODS, INC.

Two major but temporary problems adversely affected Star-Kist Foods, Inc. during its first full year as a part of H. J. Heinz Company. Thanks to aggressive and imaginative company action, both problems were resolved prior to the end of the fiscal year, with the result that Star-Kist enjoyed a very satisfactory year.

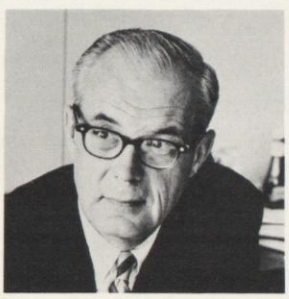
The first problem came in March, 1963, with publicity surrounding an incident of botulism which did not involve Star-Kist products. This incident substantially reduced the national consumption of canned tuna and depressed both prices and profits. The canned tuna industry, including Star-Kist, met the threat to its business with accelerated sales, merchandising and advertising efforts. At year-end, thanks to this collective action, tuna sales had not only returned to their earlier sales level, but had resumed their normal growth pattern.

The other problem related to production difficulties in the Star-Kist operating unit at Coishco, Peru. A temporary shortage of anchovies for production of fish meal reduced profitability. However, the factory is now in full and profitable operation.

The company made major gains during the year. Star-Kist tuna canning at Pago Pago in U.S. Samoa and its new anchovy fish meal production facilities at Ilo in southern Peru were placed in full operation. In addition, Star-Kist is now using its freezing and storage facilities for raw fish along the Atlantic coast of Africa. These storage points provide an additional supply of fish to meet the increasing demand for Star-Kist products.



Charlie the Tuna, Star-Kist's popular rejectee, will try again (and again) in new TV advertising commercials, many in full color



Norman E. Daniels, Senior Vice President—Administration

Star-Kist President Joseph J. Bogdanovich heads international tuna operations

New electronic data processing equipment at Star-Kist headquarters at Terminal Island, California is being adapted to a new distribution and inventory control program. Scheduled for completion in the near future, the system will provide better controls for production planning, distribution and storage, thereby permitting management to improve both customer service and cost control.

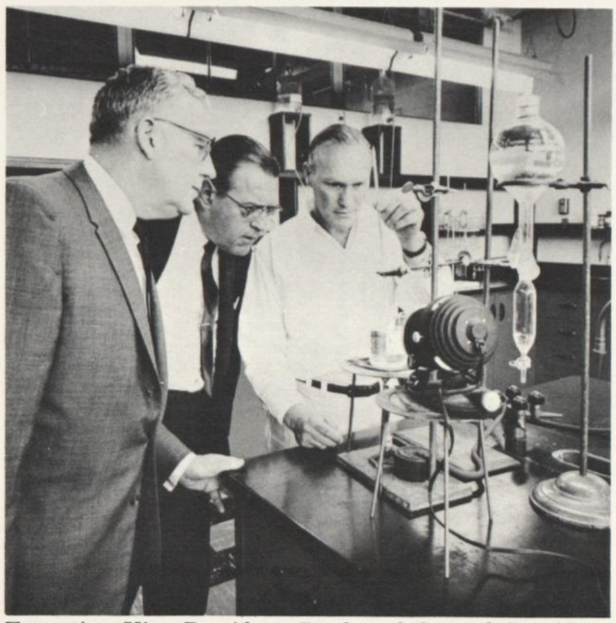
Star-Kist projections for the current fiscal year point to record sales. The marketing-sales effort for Star-Kist products will feature a heavy schedule of "Charlie the Tuna" commercials, many in color, on television during daytime and prime evening hours.

MOL-O-MON: HIGH VACUUM DISTILLATES

Hachmeister, acquired in 1961, is a research-oriented division. Its laboratories engage in a continuing scientific search for new chemical formulas. This effort has been rewarded over the years with a growing roster of pure food emulsifiers, mixes, icing bases, yeast foods, enzymes and pan oils for application to the commercial baking industry.

Fiscal 1964 brought a production breakthrough for Hachmeister in the field of high-analysis monoglycerides (to which the Company has given the trade name "Mol-O-Mon").

Monoglycerides are the fatty acid monoesters of glycerine ($HO\text{-}CH_2\text{-}CH(OH)\text{-}CH_2\text{-}O\text{-}CO\text{-}R$). The high-analysis process gives "Mol-O-Mon"



Executive Vice President Dunker, left, and President Remensnyder, center, head up Hachmeister, a research-oriented division

monoglycerides the maximum concentration of total monoglycerides, with minimum concentration of diglycerides and triglycerides. The resultant product yields maximum emulsification efficiency. Among other things, "Mol-O-Mon" aids dispersion of shortening throughout cake batter and bread dough, prevents "weeping" in peanut butter and margarine, and promotes distribution of flavor oils in candy and chocolate. It is also useful in processing with egg products, icings, yeast, ice cream, tomato juice powder, milk products, starch products, dentifrices, soaps and detergents.

Hachmeister completed installation of a new high-vacuum distillate plant at its headquarters in McKees Rocks, near Pittsburgh. It is now in a position to produce all monoglycerides needed for its own products, and to supply customers in many new areas of the food, pharmaceuticals and cosmetics industries. The new facility is now in full production.

Hachmeister research and product development also paved the way for commercial introduction during the year of a new powdered icing base; a new rye bread base that speeds the preparation process; a new brown and serve bread mix; a series of new lubricants for depanning bread; and a new ingredient for continuous mix baking.

EXECUTIVE CHANGES

During the year a number of Board and executive changes were made in the Company and in various affiliates. A chronological listing of these elections follows:

Frederick G. Crabb, formerly Managing Director of H. J. Heinz Company, Ltd., London, was named Vice Chairman of that company and made Vice President of H. J. Heinz Company. In this latter capacity, Mr. Crabb is responsible for the development and co-ordination of Heinz Company interests in the United Kingdom and European markets.

Joseph E. Hutchinson succeeded Mr. Crabb as Managing Director of the British Company, with **Anthony Beresford** succeeding him as Deputy Managing Director. **Laurence Sullivan, James B. Pollock, David Fulton** and **John A. Connell** were elected to the Board of Directors of the British Company.

John A. W. Ross, Managing Director of H. J. Heinz Company Australia, Ltd., was elected Chairman of that company, with **Fred V. Kellow,** formerly Director of Marketing and Sales, elected Managing Director.

Louis A. Collier, formerly Vice President-Marketing of U. S. operations, was elected to the newly-created post of Senior Vice President-Marketing and Sales. He is a member of the U. S. Management Board. **Paul D. Townsend,** formerly in marketing management with the Procter & Gamble Company, succeeded Mr. Collier as Vice President-Marketing.

R. Burt Gookin, formerly Vice President-Finance for the H. J. Heinz Company, was elected Executive Vice President in charge of United States operations. In this post, he serves as Chairman of the U. S. Management Board. Mr. Gookin was elected to the H. J. Heinz Company Board of Directors in 1959, and also serves as a member of the Executive and Finance Committees of the Company.

William D. Mewhort was elected Vice President-Finance, Treasurer and a member of the Board of Directors. A former Vice President-Finance for Star-Kist Foods, Inc., he joined Heinz as Vice President-Corporate Planning in October, 1963. In his new position, he will continue to direct Company corporate development, and will serve as a member of the Executive and Finance Committees.

Claude L. Mitchell, formerly Managing Director of H. J. Heinz N.V., Holland, was elected Vice President-Sales and Director of H. J. Heinz Company of Canada, Ltd. **Arnold A. Reuvekamp** succeeded Mr. Mitchell as Managing Director of the Dutch Company.

Four senior officials with a combined record of 162 years of service to the Company retired during the year.

Frank T. Sherk, formerly President of H. J. Heinz Company of Canada, Ltd. and Executive Vice President and a Director of H. J. Heinz Company-United States, retired after 45 years of service. Mr. Sherk will continue to serve as a member of the Canadian Board of Directors and as consultant to the Canadian Company.

Leonard D. Crimp, Vice President-Sales and a Director of H. J. Heinz Company of Canada, Ltd., retired after 39 years.

Charles Heinz, Vice President-Personnel, H. J. Heinz Company-United States, retired after 38 years at Pittsburgh headquarters.

Henry G. Dennett, a Director and Manager of Finance of H. J. Heinz Company Australia, Ltd., retired after 40 years of service.

For their many contributions to Company growth, these men have earned the gratitude of Heinz people everywhere.

The Company also recorded, with deep regret, the deaths of two executives during the year:

Arthur L. Schiel, formerly Executive Vice President of H. J. Heinz Company, died on May 3, 1963, after an extended illness at his home in Winter Park, Florida. Mr. Schiel's active career with the Company began in 1914 and concluded with his retirement in 1949. He continued, however, as a Board member until 1958.

John M. Page, Vice President-Sales and a member of the Board of Directors of H. J. Heinz Company of Canada, Ltd., died in a jet liner crash outside of Montreal on November 29, 1963.

H. J. HEINZ COMPANY

AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

	April 29, 1964	May 1, 1963
Current assets:		
Cash and short-term investments	$ 26,191,958	$ 17,745,333
Marketable securities (quoted market $387,000 in 1964)	500,000	500,000
Accounts and notes receivable:		
Trade, less allowance for doubtful accounts	32,656,094	27,625,643
Sundry	2,942,463	2,026,760
	35,598,557	29,652,403
Estimated Federal income taxes of a domestic subsidiary recoverable under carry-back provisions	—	791,228
Inventories—at cost or market, whichever lower:		
Finished goods	98,294,623	103,145,118
Work in process	6,719,792	5,568,808
Ingredient and packaging materials	37,762,397	34,055,434
	142,776,812	142,769,360
Prepaid insurance, supplies, taxes and sundry	5,322,401	4,940,440
Total current assets	210,389,728	196,398,764
Investments and other assets:		
Investments in and advances to unconsolidated subsidiaries and partnerships (at approximate equity)	3,055,160	1,550,880
Advances on construction contracts for fishing boats	—	1,003,023
Loans to fishermen, less allowance for losses	760,564	884,506
Investments in and advances to other companies—at cost	1,995,758	1,617,833
Excess of investments in consolidated subsidiaries over net assets at acquisition	4,418,707	280,568
Deferred expenses	1,832,782	2,069,893
Miscellaneous other assets	1,750,870	1,649,957
	13,813,841	9,056,660
Fixed assets—at cost:		
Land	6,464,475	4,440,841
Buildings and leasehold improvements, less accumulated depreciation of $20,604,629 in 1964; $18,872,688 in 1963	70,322,055	62,355,169
Equipment, boats and fixtures, less accumulated depreciation of $58,981,873 in 1964; $52,843,458 in 1963	67,639,977	62,801,506
Lug boxes, baskets and pallets, less amortization	1,125,021	1,228,880
	145,551,528	130,826,396
	$369,755,097	$336,281,820

See accompanying notes to financial statements.

H. J. HEINZ COMPANY

AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES, CAPITAL STOCK AND SURPLUS

	April 29, 1964	May 1, 1963
Current liabilities:		
Notes payable and loans on open credit (including portion of long-term debt due within one year)	$ 21,803,238	$ 21,222,393
Accounts payable and accrued expenses	37,630,871	33,360,445
Estimated liability for Federal and foreign income taxes	13,391,911	11,225,589
Total current liabilities	72,826,020	65,808,427
Long-term debt and other liabilities:		
Long-term notes (Note 2)	68,073,472	51,596,714
Liabilities under management profit-sharing plan, less portion payable within one year	12,257,905	11,345,090
Future foreign taxes on income	8,531,120	8,812,518
Sundry	713,752	342,461
	89,576,249	72,096,783
Reserve for possible foreign exchange losses	697,095	881,967
Minority interests	12,968,518	12,618,840
Capital stock and surplus:		
Cumulative preferred stock—authorized 165,075 shares—par value $100 per share—issuable in series:		
3.65% series—authorized 65,075 shares—issued and outstanding 63,250 shares in 1964; 65,035 shares in 1963 (Note 3)	6,325,000	6,503,500
Second cumulative preferred stock—authorized 400,000 shares—par value $18.50 per share—issuable in series:		
$3.50 first series—authorized 286,291 shares—issued and outstanding 286,281 shares in 1964; 286,279 shares in 1963 (Note 3)	5,296,199	5,296,162
Common stock—authorized 6,600,000 shares—par value $8.33⅓ per share—outstanding 5,286,296 shares in 1964; 5,258,130 shares in 1963 (Note 3)	44,052,467	43,817,750
Capital surplus	4,765,664	4,125,688
Earned surplus (Note 2)	133,247,885	125,132,703
	193,687,215	184,875,803
	$369,755,097	$336,281,820

See accompanying notes to financial statements.

H. J. HEINZ COMPANY

AND CONSOLIDATED SUBSIDIARIES

STATEMENTS OF CONSOLIDATED INCOME

	Fiscal year ended April 29, 1964 (52 Weeks)	Fiscal year ended May 1, 1963 (52 Weeks)
Net sales	$488,211,364	$464,215,226
Cost of products sold	316,502,485	304,645,778
Gross profit	171,708,879	159,569,448
Selling, general and administrative expenses (including management profit-sharing plan, $2,259,979 in 1964; $1,679,206 in 1963)	139,611,026	131,197,391
Operating profit (after provision for depreciation of $9,179,043 in 1964; $7,924,808 in 1963)	32,097,853	28,372,057
Other income, net	969,043	1,018,399
	33,066,896	29,390,456
Other deductions—interest and amortization of debt discount and expense	4,315,493	3,689,742
	28,751,403	25,700,714
Provision for Federal and foreign taxes on income	13,136,953	12,550,516
	15,614,450	13,150,198
Deduct Income applicable to minority interests	1,065,612	785,769
Net income for the year	$ 14,548,838	$ 12,364,429

See accompanying notes to financial statements.

H. J. HEINZ COMPANY

AND CONSOLIDATED SUBSIDIARIES

STATEMENTS OF CONSOLIDATED SURPLUS

CAPITAL SURPLUS	Fiscal year ended April 29, 1964	Fiscal year ended May 1, 1963
Amount at beginning of year	$ 4,125,688	$ 8,108,280
Excess of par value of second cumulative preferred stock issued over par value of common stock of "pooled" subsidiary received in exchange therefor in 1963	—	(4,240,169)
Capital surplus of "pooled" subsidiary in 1963	—	86,856
Amount at beginning of year, as adjusted	4,125,688	3,954,967
Excess of par value over cost of cumulative preferred stock retired	20,852	605
Excess of option price over par value of 30,006 shares (7,000 shares in 1963) of common stock issued under employees' incentive stock option plan (Note 3)	586,023	132,860
Excess of redemption value over cost of preference stock retired (British subsidiary)	33,101	37,256
Amount at end of year	4,765,664	4,125,688
EARNED SURPLUS		
Amount at beginning of year	125,132,703	100,621,003
Earned surplus of "pooled" subsidiary in 1963	—	17,640,642
Amount at beginning of year, as adjusted	125,132,703	118,261,645
Add Net income for the year	14,548,838	12,364,429
	139,681,541	130,626,074
Deduct Dividends paid:		
On preferred stock:		
3.65% series	234,225	237,491
$3.50 series	923,255	—
	1,157,480	237,491
On common stock—$1.00 per share	5,276,176	5,255,880
	6,433,656	5,493,371
Amount at end of year	$133,247,885	$125,132,703

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

(1) Principles of consolidation:

The consolidated financial statements include the accounts of the Company and all significant domestic and foreign subsidiaries. Consolidated net assets were in companies located as follows:

	April 29, 1964	May 1, 1963
Western Hemisphere:		
United States and its possessions	$ 88,564,506	$ 98,416,218
Other	31,005,361	26,197,240
	119,569,867	124,613,458
Eastern Hemisphere:		
British Commonwealth	61,650,515	58,635,925
Other	12,466,833	1,626,420
	74,117,348	60,262,345
	$193,687,215	$184,875,803

Except for property, plant, equipment and long-term debt, assets and liabilities of the foreign subsidiaries have been converted at appropriate exchange rates prevailing at the end of the fiscal year. Foreign property, plant, equipment and long-term debt have been converted on the basis of exchange rates prevailing at the time of acquisition. The realization in U. S. dollars of assets located outside the United States is limited in certain instances by currency and other restrictions. No provision has been made for U. S. income taxes which may become payable when earnings of foreign subsidiaries are remitted as dividends since, in the case of those subsidiaries where it is contemplated that earnings will be remitted, the credit for foreign taxes on income already paid generally offsets applicable U. S. income taxes. Operating accounts (other than depreciation which was based upon the approximate equivalent dollar cost of fixed assets) were converted at average rates of exchange prevailing during the fiscal year. The net unrealized loss on foreign exchange has been charged to the reserve for possible foreign exchange losses. Of the consolidated net income for the year, $12,338,022 originated from subsidiaries located outside the United States and its possessions and the income of the Company from dividends from such subsidiaries during the year amounted to $5,473,599.

(2) Long-term notes:

Details of long-term notes at April 29, 1964 are as follows:

	Interest per cent	Maturity (fiscal year)	Portion due Non-current	Portion due Current
Company:				
Promissory notes	2.90	1965-69	$ 5,730,000	$1,050,000
Promissory notes	4½	1970-74	17,000,000	—
Promissory notes	4⅞	1965-84	19,000,000	1,000,000
Subsidiaries:				
Promissory notes:				
(Australia)	4¼	1965-76	7,436,736	203,974
(Canada)	4½	1970-74	3,000,000	—
(Venezuela)	9	1967-72	1,822,805	—
Debentures (England)	6	1965-84	5,563,338	76,118
Debentures (England)	5½	1966-85	5,610,000	—
Installment note (domestic)	4 to 5	1965-69	2,406,250	687,500
Sundry obligations (domestic and foreign)	2 to 7	1965-69	504,343	262,641
			$68,073,472	$3,280,233

Under note agreements, dated April 1, 1959, providing for the issue of $20,000,000 of 4⅞% 25-year notes due April 1, 1984, fixed annual prepayments of principal of $1,000,000 are required to be made commencing April 1, 1965. Additional prepayments may be made at the option of the Company at specified premium rates or, under specified conditions, at no premium. In addition to restrictions relating to additional indebtedness, mortgages and liens, purchase and redemption of capital stock and other restrictions, the note agreements contain provisions against the payment of dividends by the Company upon its common stock (otherwise than in its own capital stock) if such dividends, together with purchases, payments to the sinking fund and dividends in respect to presently authorized cumulative preferred stock and amounts expended by the Company or any subsidiary for purchase or other acquisitions of any class of the Company's stock, since October 29, 1958 would exceed consolidated net income after October 29, 1958 plus the sum of $7,500,000 and, further, if the sum of consolidated funded debt and consolidated discounted lease rentals would exceed fifty per cent of consolidated capital and surplus after giving effect to such dividend payments. The portion of consolidated earned surplus as of April 29, 1964 which was not thereby restricted was $48,999,166.

Under a loan agreement, dated August 1, 1963, the Company executed 4½% promissory notes payable in annual installments of varying amounts on September 1 of each year during the five-year period ending in 1973. Prepayments may be made under specified conditions without premium. The provisions of the loan agreement impose substantially the same restrictions as those pertaining to the 4⅞% 25-year notes.

The 2.90% notes, dated February 24, 1949, also contain various conditions which are less restrictive than those pertaining to the 4⅞% 25-year notes.

The 6% debentures, issued by the subsidiary located in England contain provisions requiring annual sinking fund payments, commencing January 31, 1965, approximating $76,700 plus interest for one year. Prepayment of the entire indebtedness, or a portion thereof, may be made on January 31, 1975 with a 3½% premium and at decreasing premium rates thereafter.

The 5½% debentures, issued by the subsidiary located in England, contain provisions requiring annual sinking fund payments, commencing January 31, 1966, approximating $80,600 plus interest for one year. Prepayment of the entire indebtedness, or a portion thereof, may be made on January 31, 1976 with a 3½% premium and at decreasing premium rates thereafter.

(3) Capital stock:

The 3.65% series cumulative preferred stock is callable or redeemable through the sinking fund at $102.75 per share. A payment, not exceeding $200,000, is required to be made to the sinking fund on or before October 1 of each year.

The $3.50 series second cumulative preferred stock is convertible into common stock at any time prior to June

1, 1973 at an initial conversion rate of 100/45 shares of common stock and may be redeemed by the Company from June 1, 1968 to and including May 31, 1969 at $102.50 per share and at decreasing prices thereafter. On or before August 1, 1973, and on or before each August 1 thereafter, so long as any shares of this series are outstanding, the Company (as and for an annual sinking fund) shall retire through redemption, purchase or otherwise, shares of this series equal to 2% of the total number of shares outstanding at the close of business on June 1, 1973. Cumulative arrearages as to such retirements are permissible in the event that consolidated net income, less certain deductions, is less than the amount necessary to pay in full all requirements to retire shares of all series of the second preferred stock.

At April 29, 1964, 140,694 shares of common stock were subject to outstanding options under the employees' incentive stock option plan and 41,500 additional shares were reserved for purposes of the plan and not subject to options. Options were granted at not less than 95% of fair market value at date of grant and, with certain exceptions, may be exercised to the extent of 25% thereof at the time of grant and 25% annually thereafter. During the fiscal year, options were exercised for 30,006 shares at prices varying from $26.60 to $37.50 per share. Shares subject to option at April 29, 1964 ranged in price from $27.31⅓ to $62.50 per share.

(4) Retirement systems:

The amount charged to income by the Company and its consolidated subsidiaries for the year aggregated $2,386,930 with respect to past service and current service costs. Unfunded past service costs at April 29, 1964 amounted to approximately $3,056,000 and such costs are currently being funded over varying periods not exceeding twenty years.

(5) Other matters

In connection with the 1963 acquisition of Star-Kist Foods, Inc., a suit has been filed against the Company and such subsidiary for a finder's fee. In the opinion of the management, there is no basis for such claim.

Contracts and purchase orders approximating $12,000,000 have been executed in connection with plant construction and the acquisition of several foreign food product companies.

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

HENRY W. OLIVER BUILDING

PITTSBURGH, PA. 15222

ACCOUNTANTS' REPORT

To the Stockholders of H. J. Heinz Company:

We have examined the consolidated balance sheet of H. J. Heinz Company and consolidated subsidiaries as of April 29, 1964 and the related statements of income and surplus for the fiscal year then ended. Our examination, which included all companies except certain subsidiaries (two of which are of major importance) located in the Eastern Hemisphere, was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As regards the subsidiaries located in the Eastern Hemisphere which we did not examine, the accounts of which are incorporated in the accompanying consolidated financial statements, we have been furnished with reports of other independent accountants.

In our opinion, based on our examination and on the reports of other independent accountants, the accompanying consolidated financial statements present fairly the financial position of H. J. Heinz Company and consolidated subsidiaries at April 29, 1964 and the results of their operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell + Co.

Pittsburgh, Pa.
June 24, 1964

H. J. HEINZ COMPANY AND CONSOLIDATED SUBSIDIARIES

	April 29, 1964 52 Weeks	May 1, 1963 52 Weeks	May 2, 1962 52 Weeks
Net sales	**$488,211,364**	$464,215,226	$375,810,168
Cost of products sold	**316,502,485**	304,645,778	237,558,075
Gross profit	**171,708,879**	159,569,448	138,252,093
Selling, general and administrative expenses (including management profit-sharing plan)	**139,611,026**	131,197,391	103,177,712
	32,097,853	28,372,057	35,074,381
Other income	**969,043**	1,018,399	392,480
	33,066,896	29,390,456	35,466,861
Other deductions—including interest expense	**4,315,493**	3,689,742	2,822,941
	28,751,403	25,700,714	32,643,920
Provision for taxes on income	**13,136,953**	12,550,516	17,645,359
	15,614,450	13,150,198	14,998,561
Deduct Income applicable to minority interests	**1,065,612**	785,769	832,755
Net income for the year	**$ 14,548,838**	$ 12,364,429	$ 14,165,806
Balance of net income per share of common stock—after preferred dividends (a)	**$2.53**	$2.31(b)	$2.65
Cash dividends per share of common stock (a)	**1.00**	1.00	1.00
Shares of Common Stock outstanding at end of year (a)	**5,286,296**	5,258,130	5,251,130

(a) Adjustments have been made for 1960 and prior years to give effect to the 3 for 1 stock split of February, 1961.

(b) Operations of Star-Kist Foods, Inc. are included for 1963, but are not included for prior years. If the second preferred stock issued late in April 1963 in exchange for the capital stock of Star-Kist had been outstanding during the entire year, net income per share would have been $2.12 instead of $2.31.

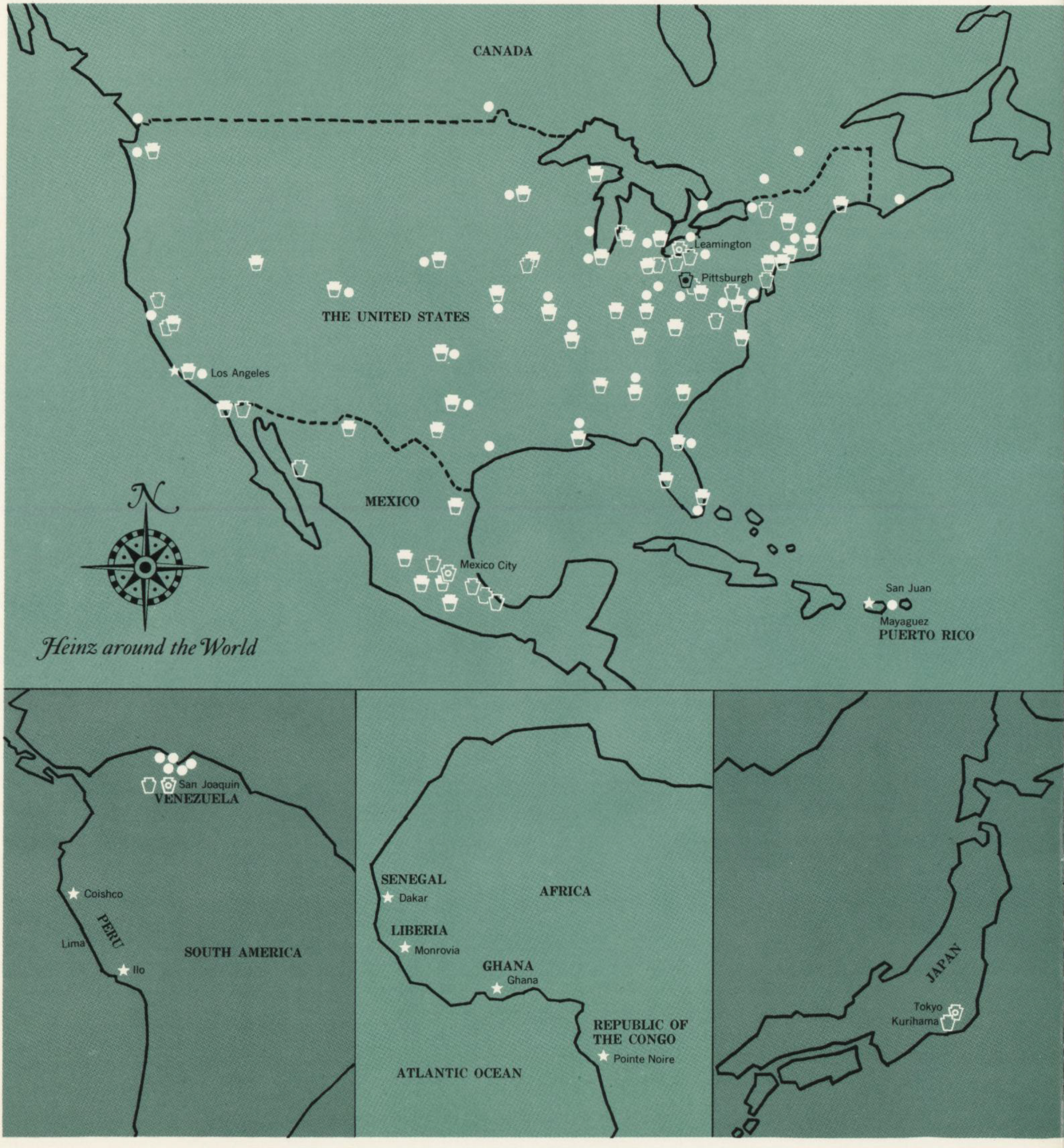
TEN-YEAR SUMMARY OF INCOME STATEMENTS

FISCAL YEARS ENDED

May 3, 1961 53 Weeks	April 27, 1960 52 Weeks	April 29, 1959 52 Weeks	April 30, 1958 52 Weeks	May 1, 1957 52 Weeks	May 2, 1956 53 Weeks	April 27, 1955 52 Weeks
$365,989,576	$340,223,700	$316,856,669	$293,811,817	$278,852,384	$262,425,046	$234,179,207
233,924,601	223,071,491	209,296,050	197,989,165	181,927,571	170,487,408	151,890,465
132,064,975	117,152,209	107,560,619	95,822,652	96,924,813	91,937,638	82,288,742
101,136,825	89,159,165	83,632,375	75,757,981	74,793,849	70,121,011	62,740,130
30,928,150	27,993,044	23,928,244	20,064,671	22,130,964	21,816,627	19,548,612
1,346,374	951,597	337,645	394,633	564,637	1,258,723	639,026
32,274,524	28,944,641	24,265,889	20,459,304	22,695,601	23,075,350	20,187,638
3,182,353	2,683,362	2,298,443	2,113,533	1,256,512	916,607	1,490,028
29,092,171	26,261,279	21,967,446	18,345,771	21,439,089	22,158,743	18,697,610
14,683,525	13,209,540	10,139,971	8,345,756	10,356,591	10,907,900	9,147,265
14,408,646	13,051,739	11,827,475	10,000,015	11,082,498	11,250,843	9,550,345
793,965	763,924	816,694	778,748	720,680	675,035	604,447
$ 13,614,681	$ 12,287,815	$ 11,010,781	$ 9,221,267	$ 10,361,818	$ 10,575,808	$ 8,945,898
$2.62	$2.37	$2.12	$1.76	$1.99	$2.03	$1.70
.86⅔	.73⅓	.73⅓	.73⅓	.66⅔	.60	.60
5,098,580	5,066,691	5,066,691	5,066,691	5,066,691	5,066,691	5,066,691

H. J. HEINZ COMPANY INTERNATIONAL OPERATIONS

INT'L HEADQUARTERS HEAD OFFICE FACTORY WAREHOUSE SALES OFFICE STAR-KIST LOCATION




GREAT BRITAIN
Standish
Kitt Green
London
Elst
THE NETHERLANDS
Brussels
BELGIUM
Milan
Livorno
ITALY
Gaeta
AUSTRALIA
Dandenong
Honolulu
PACIFIC OCEAN
POLYNESIA
Pago Pago
AMERICAN SAMOA

H. J. HEINZ COMPANY

BOARD OF DIRECTORS

Henry J. Heinz II, Chairman*

Junius F. Allen*
Executive Vice President-International

Frank Armour Jr.*†
President

Joseph J. Bogdanovich
President
Star-Kist Foods, Inc.

Frederick G. Crabb
Vice President and Managing Director-Europe

R. Burt Gookin*†
Executive Vice President-United States

Vira I. Heinz
Civic Leader and Trustee
Howard Heinz Endowment

Lewis A. Lapham†
Chairman of the Executive Committee
Bankers Trust Company
New York, N. Y.

John A. Mayer†
President
Mellon National Bank and Trust Company
Pittsburgh, Pa.

William D. Mewhort*†
Vice President-Finance and Treasurer

John T. Ryan Jr.
President
Mine Safety Appliances Company
Pittsburgh, Pa.

William P. Snyder III
President
The Shenango Furnace Company
Pittsburgh, Pa.

*Member of the Executive Committee †Member of the Finance Committee

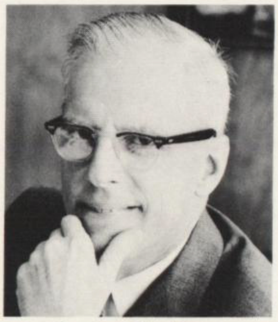
Left to right: Chairman Heinz, Lewis A. Lapham, John T. Ryan, Jr., Mrs. Vira I. Heinz, and John A. Mayer

PRINCIPAL CORPORATE OFFICERS

Henry J. Heinz II
Chairman of the Board

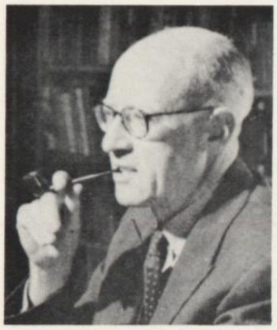
Frank Armour Jr.
President

R. Burt Gookin
Executive Vice President-United States

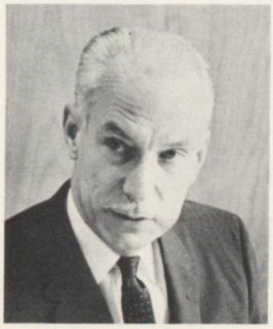


Junius F. Allen
Executive Vice President-International

William D. Mewhort
Vice President-Finance and Treasurer



Frederick G. Crabb
Vice President and Managing Director-Europe



Ralph W. Hunter
Secretary

Frank M. Brettholle†
Vice President and Controller

REGISTRARS

Morgan Guaranty Trust Company of New York, New York
Pittsburgh National Bank
Pittsburgh, Pennsylvania

TRANSFER AGENTS

The First National City Bank of New York, New York
Mellon National Bank and Trust Company
Pittsburgh, Pennsylvania

DIVIDEND DISBURSING AGENT

Mellon National Bank and Trust Company
Pittsburgh, Pennsylvania

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Pittsburgh, Pennsylvania

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Frank M. Brettholle .....Vice President and Controller
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Senior Vice President-Marketing and Sales
Norman E. Daniels
Senior Vice President-Administration
P. Kenneth Shoemaker
Senior Vice President-Operations

Frank G. Barnum
Vice President-Institutional Food Sales
John D. Scott ....Vice President-Grocery Sales
Paul D. Townsend ....Vice President-Marketing

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Roy E. Kelley..Vice President, Secretary and Treasurer
Robert K. Pedersen ....Vice President-Operations
John J. Real ....Vice President-Administration
Jerry G. Scharer ....Vice President-Marketing

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McKees Rocks, Pennsylvania

Albert W. Remensnyder ...... President
Harvey L. Dunker ....Executive Vice President

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London, England

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Joseph E. Hutchinson ..Managing Director
Anthony Beresford ....Deputy Managing Director
John A. Connell ....Marketing and Home Sales
John Eccles ....Purchasing
A. Gordon Esslemont ....Secretary
David Fulton ....Administration
James B. Pollock ....Treasurer
Laurence E. Sullivan ....Operations
James A. Wilen ....Research and Quality Control

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John U. Lamont ...... Managing Director

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H. J. HEINZ COMPANY OF CANADA, LTD.

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J. Ross Crerar ....Vice President-Manufacturing
Paul E. Gervais ....Vice President-Marketing
Claude L. Mitchell ....Vice President-Sales
R. Glyn Nelles ....General Manager-Finance
Frank T. Sherk ....Director
Thomas D. Smyth ....General Manager-Services

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Fred V. Kellow ....Managing Director
Leonard S. Crowe ....Manufacturing
Richard B. Patton ....General Manager-Marketing
Desmond Robinson ....Comptroller
Ray W. Spicer ....General Manager-Products
John H. Stock ....General Manager-Sales
W. Wentworth Watt ....Corporate Planning
Keith B. Wood ....Secretary-Treasurer

THE NETHERLANDS

H. J. HEINZ N.V.

Elst, Gelderland, Holland

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Jan J. M. Taminiau ....Director

SUBSIDIARY OF H. J. HEINZ N.V.

H. J. HEINZ COMPANY (BELGIUM) S.A./N.V.

Brussels, Belgium

Paul deVreese ...... General Manager

VENEZUELA

ALIMENTOS HEINZ C.A.

Valencia, Carabobo, Venezuela

Gerald K. Warner ...... President
Ernesto Blohm ....Director
Lewis V. Leggate ....Secretary-Treasurer
Leslie C. Marshall ....Manufacturing
Anthony Rojas ....Sales

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Tokyo, Japan

Takeshi Hirano ....Chairman
Gilbert H. Morris ....President
Eizo Amemiya ....Managing Director
Albert F. Margus ....Managing Director

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SOCIETA del PLASMON, S.p.A.

Milan, Italy

Oscar A. Pio ...... Managing Director
Menotti Bassani ....Manufacturing
Carlo Guffanti ....Sales
Flavio Mancini ....Accounting and Finance

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HEINZ ALIMENTOS, S.A. de C.V.

Mexico City, Mexico

C. Lee Rumberger ...... President
Herbert L. Wallace, Jr. ....General Manager
Enrique Alexanderson ....Controller
Ward H. Broadfield ....Director
Jesus Monzon ....Sales Manager
Roberto Schroeder ....Manager-Operations

57

ABOUT PRODUCTS...

It seems almost impossible at times to keep a current count of Heinz products around the globe. Our roster of international products changes too fast for that.

People still refer to the 57 VARIETIES, of course, but the number "57" is more reliable today as a company trademark than as an accurate statistical fact. This has been true for a long time. There are hundreds—many, many hundreds—of Heinz products channeled into the retail outlets of more than 150 countries and territories. And, since Heinz master chefs cater to the varying tastes of people in different market areas, these products accurately mirror the available raw ingredients and traditional recipes of a large part of the world's geography.

All of which is a far cry from 1869, when an ambitious young man named Henry J. Heinz sold his first product, horseradish, from a basket in Pittsburgh, Pennsylvania, U.S.A.

Some day, we may try to crowd one sample of each Heinz product into a single photograph. Meanwhile, we have chosen representative products and packages to illustrate the more than 300 consumer items that are available to our U.S.A. customers.

Like Heinz products everywhere, those pictured have been processed to meet the highest standards of flavor, purity and nutritional goodness. We're proud of them; we use them in our homes. We hope you do, too.

Printed in U.S.A.


Star-Kist
SOLID LIGHT T
Star-Kist
ALBACORE SOLID WHITE TUNA IN WATER
Blennd
ORANGE-LEMON FLAVORED DRINK
Blennd
HEINZ DISTILLED WHITE VINEGAR
ONE PINT
HEINZ APPLE CIDER VINEGAR
ONE QUART
HEINZ wine vinegar
Heinz SPAGHETTI
in tomato sauce with
HEINZ VEGETARIAN BEANS IN TOMATO SAUCE
HEINZ BEEF STEW
MINUTE MEAL
Heinz MACARONI
in cheese sauce
HOT KETCHUP
HEINZ
SOME LIKE IT HOT
FAMILY SIZE
HEINZ TOMATO KETCHUP
HEINZ CHILI SAUCE
HEINZ BROWN Mustard
HEINZ SALAD STYLE Mustard
HEINZ WORCESTERSHIRE SAUCE
HEINZ 57 Savory SAUCE FOR MEAT AND FISH
SHAKE BEFORE USING
HEINZ 57 SAUCE
HEINZ MIDGET GHERKINS
HEINZ SOUR Cocktail ONIONS
HEINZ 57 INSTANT HORSE RADISH
HEINZ CURED IN WOOD Genuine DILLS
MILD FLAVORED
HEINZ SWEET PICKLES
HEINZ INDIA RELISH
HEINZ HOT DOG RELISH
INSTANT HEINZ HIGH PROTEIN cereal for Baby
APPLESAUCE HEINZ
BEEF
CREAMED PEAS
HEINZ
ORANGE JUICE for Baby
APPLESAUCE
HEINZ CONDENSED TOMATO SOUP
57 Varieties
HEINZ CONDENSED CREAM OF MUSHROOM SOUP
57 Varieties
HEINZ CONDENSED CHICKEN NOODLE SOUP
57 Varieties

World's Largest Selling Ketchup